

1 AN ACT in relation to public aid.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 5-5.4 as follows:

6 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

7 Sec. 5-5.4. Standards of Payment - Department of Public  
8 Aid. The Department of Public Aid shall develop standards of  
9 payment of skilled nursing and intermediate care services in  
10 facilities providing such services under this Article which:

11 (1) Provides for the determination of a facility's  
12 payment for skilled nursing and intermediate care services on  
13 a prospective basis. The amount of the payment rate for all  
14 nursing facilities certified under the medical assistance  
15 program shall be prospectively established annually on the  
16 basis of historical, financial, and statistical data  
17 reflecting actual costs from prior years, which shall be  
18 applied to the current rate year and updated for inflation,  
19 except that the capital cost element for newly constructed  
20 facilities shall be based upon projected budgets. The  
21 annually established payment rate shall take effect on July 1  
22 in 1984 and subsequent years. Rate increases shall be  
23 provided annually thereafter on July 1 in 1984 and on each  
24 subsequent July 1 in the following years, except that no rate  
25 increase and no update for inflation shall be provided on or  
26 after July 1, 1994 and before July 1, 2001, unless  
27 specifically provided for in this Section.

28 For facilities licensed by the Department of Public  
29 Health under the Nursing Home Care Act as Intermediate Care  
30 for the Developmentally Disabled facilities or Long Term Care  
31 for Under Age 22 facilities, the rates taking effect on July

1 1, 1998 shall include an increase of 3%. For facilities  
2 licensed by the Department of Public Health under the Nursing  
3 Home Care Act as Skilled Nursing facilities or Intermediate  
4 Care facilities, the rates taking effect on July 1, 1998  
5 shall include an increase of 3% plus \$1.10 per resident-day,  
6 as defined by the Department.

7 For facilities licensed by the Department of Public  
8 Health under the Nursing Home Care Act as Intermediate Care  
9 for the Developmentally Disabled facilities or Long Term Care  
10 for Under Age 22 facilities, the rates taking effect on July  
11 1, 1999 shall include an increase of 1.6% plus \$3.00 per  
12 resident-day, as defined by the Department. For facilities  
13 licensed by the Department of Public Health under the Nursing  
14 Home Care Act as Skilled Nursing facilities or Intermediate  
15 Care facilities, the rates taking effect on July 1, 1999  
16 shall include an increase of 1.6% and, for services provided  
17 on or after October 1, 1999, shall be increased by \$4.00 per  
18 resident-day, as defined by the Department.

19 For facilities licensed by the Department of Public  
20 Health under the Nursing Home Care Act as Intermediate Care  
21 for the Developmentally Disabled facilities or Long Term Care  
22 for Under Age 22 facilities, the rates taking effect on July  
23 1, 2000 shall include an increase of 2.5% per resident-day,  
24 as defined by the Department. For facilities licensed by the  
25 Department of Public Health under the Nursing Home Care Act  
26 as Skilled Nursing facilities or Intermediate Care  
27 facilities, the rates taking effect on July 1, 2000 shall  
28 include an increase of 2.5% per resident-day, as defined by  
29 the Department.

30 Rates established effective each July 1 shall govern  
31 payment for services rendered throughout that fiscal year,  
32 except that rates established on July 1, 1996 shall be  
33 increased by 6.8% for services provided on or after January  
34 1, 1997, and except that for those facilities with rates less

1 than the actual, audited costs, rates established on July 1,  
2 2001 shall be increased to no less than the lower of the  
3 average costs in the facility's geographic area as defined by  
4 the Department or the facility's 1998 actual audited,  
5 adjusted costs. In no case shall a facility's July 1, 2001  
6 rate be less than its January 1, 1999 rate. Such rates will  
7 be based upon the rates calculated for the year beginning  
8 July 1, 1990, and for subsequent years thereafter shall be  
9 based on the facility cost reports for the facility fiscal  
10 year ending at any point in time during the previous calendar  
11 year, updated to the midpoint of the rate year. The cost  
12 report shall be on file with the Department no later than  
13 April 1 of the current rate year. Should the cost report not  
14 be on file by April 1, the Department shall base the rate on  
15 the latest cost report filed by each skilled care facility  
16 and intermediate care facility, updated to the midpoint of  
17 the current rate year. In determining rates for services  
18 rendered on and after July 1, 1985, fixed time shall not be  
19 computed at less than zero. The Department shall not make  
20 any alterations of regulations which would reduce any  
21 component of the Medicaid rate to a level below what that  
22 component would have been utilizing in the rate effective on  
23 July 1, 1984.

24 (2) Shall take into account the actual costs incurred by  
25 facilities in providing services for recipients of skilled  
26 nursing and intermediate care services under the medical  
27 assistance program.

28 (3) Shall take into account the medical and  
29 psycho-social characteristics and needs of the patients.

30 (4) Shall take into account the actual costs incurred by  
31 facilities in meeting licensing and certification standards  
32 imposed and prescribed by the State of Illinois, any of its  
33 political subdivisions or municipalities and by the U.S.  
34 Department of Health and Human Services pursuant to Title XIX

1 of the Social Security Act.

2 The Department of Public Aid shall develop precise  
3 standards for payments to reimburse nursing facilities for  
4 any utilization of appropriate rehabilitative personnel for  
5 the provision of rehabilitative services which is authorized  
6 by federal regulations, including reimbursement for services  
7 provided by qualified therapists or qualified assistants, and  
8 which is in accordance with accepted professional practices.  
9 Reimbursement also may be made for utilization of other  
10 supportive personnel under appropriate supervision.

11 (Source: P.A. 90-9, eff. 7-1-97; 90-588, eff. 7-1-98; 91-24,  
12 eff. 7-1-99; 91-712, eff. 7-1-00.)

13 Section 99. Effective date. This Act takes effect on  
14 July 1, 2001.